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July 16, 2002

RECORDATION NO 23827-FILED

Mr. Vernon A. Williams Secretary Surface Transportation Board Washington, D.C. 20423

FRR 16 02

3-15 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated June 3, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Full Service Lease Agreement previously filed with the Board under Recordation Number 23827.

The names and addresses of the parties to the enclosed document are:

Secured Party:

Associated Bank Minnesota 7760 Finance Avenue South Bloomington, MN 55435-5833

Debtor:

Midwest Railcar Corporation

3 Professional Park Drive, Suite B

Maryville, IL 62062

A description of the railroad equipment covered by the enclosed document is:

One (1) covered hopper railcar MWCX 300019

Mr. Vernon A. Williams July 16, 2002 Page Two

A short summary of the document to appear in the index follows:

Memorandum of Commercial Security Agreement

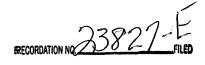
Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anr Enclosures



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3-15PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

BETWEEN

ASSOCIATED BANK MINNESOTA ("SECURED PARTY")

AND

MIDWEST RAILCAR CORPORATION ("DEBTOR")

June 3, 2002

Memorandum of Commercial Security Agreement made and entered into as of June 3, 2002 2002, by and between Associated Bank Minnesota, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

To secure all obligations of the Borrower under a certain Commercial Security Agreement dated as of June 3, 2002 (the "Loan Agreement"), and that certain Promissory Note dated June 3, 2002, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Rider 1 dated March 15th 2002 which incorporates by reference that Full Service Lease Agreement dated effective March 15th 2002, by and between Borrower (as Lessor) and Badger Mining Corporation. (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

ASSOCIATED BANK MIXMESOVA as Lender
By: DMM
Title: Vice President
Date: 6/3/0Z
MIDWEST RAILCAR CORPORATION as Borrower
By: , h. h.
Title: Presided & CO
Date: 6/3/02

STATE OF MOSS. COUNTY OF HENNE DIN SS.
On this 3 day of www., 2002, before me personally appeared from Munceylow, to me personally known, who being by me duly sworn, says that he is the of Associated Bank Minnesota, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.
DANIEL M MCCARVEL Notary Public Minnesota My Commission Expires Jan 31 2006 NOTARY PUBLIC
My commission expires:
STATE OF MN ss.
On this day of fine, 2002, before me personally appeared fine first fine personally known, who being by me duly sworn, says that he is the first first fine of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.
Notary Public Minnesota My Commission Expires Jan 31 2006 NOTARY PUBLIC

My commission expires:_____

SCHEDULE OF RAILCARS

One (1) , 2970 c.f. covered hopper cars equipped with trough hatches and gravity gates. Car Number MWCX 300019, inclusive.